

## Message Text

LIMITED OFFICIAL USE

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07  
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15  
USIA-06 AID-05 TRSE-00 OMB-01 IO-13 EB-08 COME-00  
/083 W

-----061441Z 084122 /47

R 060733Z APR 77  
FM AMEMBASSY KABUL  
TO SECSTATE WASHDC 2114  
AMEMBASSY TEHRAN

LIMITED OFFICIAL USE KABUL 2345

FOR NEA/PAB

E.O. 11652: N/A  
TAGS: EAID, PFOR, AF, IR  
SUBJ: KANDAHAR CEMENT PLANT

REF: A. KABUL 2111 B. TEHRAN 2901

1. MINISTER OF MINES AND INDUSTRIES ASEFI CALLED IN  
VISITING FULLER COMPANY REPS ED GREEF AND CARL GRAF ON  
APRIL 3 TO INFORM THEM GOVERNMENT OF AFGHANISTAN (GOA)  
WISHED HAVE SIXTY (60)-DAY EXTENSION ON APRIL 30 DEADLINE  
FOR INITIAL (\$10 MILLION) PAYMENT FOR KANDAHAR  
CEMENT PLANT. AFGHANS, ACCORDING TO ASEFI, ARE DOUBTFUL  
THEY CAN MAKE PAYMENT (WHICH WOULD SET PROJECT INTO  
MOTION) ON TIME BECAUSE OF WHAT GOA REGARDS AS IRANIAN FOOT-  
DRAGGING IN TRANSFERRING FUNDS, EVEN THOUGH PROJECT FULL  
AUTHORIZED. FULLER REPS EMPHASIZED TO ASEFI FACT THAT DELAY  
WOULD NOT ONLY BE INTRINSICALLY EXPENSIVE FOR THE GOA, BUT  
IF CONTRACT PROVISIONS BREACHED, FULLER WOULD BE FORCED  
TO RE-COST ENTIRE PACKAGE BECAUSE OF INTERIM INCREASES  
IN FACTOR COSTS, E.G., LABOR, MATERIALS, AND  
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ENERGY. THEY AGREED PUT ASEFI'S REQUEST TO  
FULLER MANAGEMENT -- AND DEPARTED KABUL APRIL 5  
FOR RETURN TO US TO DO SO -- BUT STRESSED  
NECESSITY OF HOLDING TO APRIL 30 DATE, LEST ENTIRE  
PROJECT FALL APART.

2. AMBASSADOR HAS BEEN APPROACHED SEPARATELY

BY WAHEED ABDULLAH, MINISTER IN CHARGE FOR FOREIGN AFFAIRS, WHO MENTIONED PROBLEMS WITH IRAN FUNDING PIPELINE AND INQUIRED ABOUT DELAYED PAYMENT POSSIBILITY. AMBASSADOR HAS STRESSED THAT THIS IS A COMMERCIAL MATTER AND HAS URGED THAT GOA FOCUS ON CONTRACTUAL OBLIGATIONS AND POTENTIAL COST ESCALATION RESULTING FROM DELAY. AMBASSADOR SUGGESTED IF IMPASSE WITH IRANIANS CANNOT BE SPEEDILY RESOLVED, AFGHANS CONSIDER SHORT-TERM GOA FUNDING. ABDULLAH SAID HE AND MINISTER OF PLANNING KHURRAM ALREADY SEIZED WITH PROBLEM AND HAD EXPLORED WITH IRANIAN AMBASSADOR DAVOUDI THE IDEA OF MOVING UP NEXT MEETING OF AFGHAN-IRANIAN JOINT COMMISSION TO APRIL. (AMBASSADOR'S CONVERSATIONS WITH ABDULLAH WERE REPORTED TO FULLER REPS BEFORE THEIR DEPARTURE.)

3. COMMENT: WE HAD PREVIOUSLY PICKED UP AFGHAN ALLEGATIONS THAT IRANIANS WERE DELIBERATELY SLOWING AID TRANSFERS AS A SIGN OF DESPLEASURE OVER AFGHAN PLAN TO CONSTRUCT KAMAL KHAN DAM ON LOWER HELMAND RIVER. REFTEL (B) TENDS TO CONFIRM THAT IRANIAN FOOT-FRAGGING IS NOT A FIGMENT OF AFGHAN IMAGINATION. WE WOULD, THEREFORE, APPRECIATE KNOWING RESULTS OF GHAZI-KHALATBARI APRIL 4 MEETING MENTIONED IN PARA ONE OF OF REFTEL (B) AND WHETHER EMBASSY TEHRAN BELIEVES IRANIANS ARE AWARE THAT DELAYS IN FUNDING AFGHAN ASSISTANCE ARE IMPACTING DIRECTLY ON A FREE WORLD LIMITED OFFICIAL USE

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DEVELOPMENT PROJECT IN KANDAHAR.  
ELIOT

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COSTS, CONSTRUCTION, DEBT REPAYMENTS, INDUSTRIAL PLANTS, CEMENT  
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**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977KABUL02345  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Message ID:** bb2254a9-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 KABUL 2111  
**Retention:** 0  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2884432  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KANDAHAR CEMENT PLANT  
**TAGS:** EAID, PFOR, ECRE, AF, IR, US, FULLER COMPANY  
**To:** STATE TEHRAN  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/bb2254a9-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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22 May 2009  
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